



**Testimony Before the
Committee on Small Business
Subcommittee on Regulations and Healthcare**

Statement of

David Blumenthal, MD, MPP

*National Coordinator,
Office of the National Coordinator for Health IT
U.S. Department of Health and Human Services*

June 24, 2009

Chairwoman Dahlkemper, Ranking Member Westmoreland, and Members of the Subcommittee.

I am Dr. David Blumenthal, the National Coordinator, Office of the National Coordinator for Health Information Technology (ONC) with the U.S. Department of Health and Human Services (HHS). I am pleased to testify before you on the Administration's health information technology (HIT) activities and specifically how they impact small health care practices.

Introduction

Health information technology, or HIT, allows comprehensive management of medical information and its secure exchange between health care consumers and providers. Broad use of HIT has the potential to:

- Improve health care quality;
- Prevent medical errors;
- Increase the efficiency of care provision and reduce unnecessary health care costs;
- Increase administrative efficiencies;
- Decrease paperwork;
- Expand access to affordable care; and
- Improve population health.

Interoperable HIT can improve individual patient care as well as bring public health benefits including:

- Early detection of infectious disease outbreaks around the country;
- Improved tracking of chronic disease management;
- Improved safety monitoring of drugs, biologics and medical devices;

- Enhanced evidence of the relative effectiveness of medical interventions; and
- Evaluation of health care based on value enabled by the collection of de-identified price and quality information that can be compared.

The HITECH Act

The American Recovery and Reinvestment Act of 2009 (the Recovery Act) that was signed into law by President Obama on February 17, 2009, included the Health Information Technology for Economic and Clinical Health Act, or HITECH Act. The HITECH Act includes \$2 billion in funding to ONC to lay the groundwork for adoption and meaningful use of HIT through infrastructure programs. It also includes an estimated \$44.7 billion in incentive payments for Medicare and Medicaid to providers who are meaningful users of certified electronic health record (EHR) technology.

Many physicians in small practices want to adopt HIT, but do not have the ability to invest upwards of \$40,000 in the technology systems. By providing physicians and other health care providers with financial assistance for adoption and use of interoperable HIT, we will help reduce this burden. Physicians, including those in solo or small practices, can receive up to \$44,000 under Medicare in incentive payment for being meaningful users of certified EHRs. The HITECH Act includes grant programs as well as education and technical assistance opportunities to help providers, especially those in small practices, to overcome barriers to adoption and assist them in using these systems to reduce costs and improve quality for their patients.

Funds will be distributed through Medicare and Medicaid incentive payments to eligible professionals, physicians, and hospitals who are “meaningful EHR users.” These incentive payments will help lessen the financial burden for many health care providers to adopt this technology. Meaningful users will become eligible for incentive bonuses in 2011. Beginning in 2015, the Recovery Act authorizes penalties under Medicare for eligible professionals and hospitals that fail to demonstrate meaningful use of certified EHRs.

The qualification criteria for incentives are still in development, and will be defined through regulation and additional guidance materials. However, HHS generally expects that under Medicare, “meaningful EHR users” would demonstrate each of the following:

- Meaningful use of a certified EHR (certification criteria for EHR technology will be established through HHS rulemaking in 2009);
- The electronic exchange of health information to improve the quality of health care; and
- Reporting on clinical quality and other measures using certified EHR technology.

CMS, in close coordination with ONC, intends to publish a proposed rule in late 2009 to propose a definition of meaningful use of certified EHR technology and establish criteria for the incentive programs.

The HIT Policy Committee, which is a federal advisory committee that provides recommendations to the National Coordinator, met on June 16, 2009, to discuss proposed objectives and measures of meaningful use. This discussion focused on a vision for health care that outlined a progression from process measures in 2011 to outcome measures in 2015 for

improved population health. The HIT Policy Committee is currently seeking public comments on the proposed objectives and measures of meaningful use discussed on June 16.

As a part of HHS' effort to ensure that small health care practices have a say in defining meaningful use, ONC and CMS are hosting listening sessions targeted at this community so that HHS is informed of their questions and unique concerns as the HITECH Act is implemented. The decision on the definition of meaningful use is a key step toward transforming our health care system.

In addition to the incentive payments from Medicare and Medicaid, the HITECH Act authorizes grant programs that ONC can implement to help providers and communities adopt and become meaningful users of EHRs. Three of these authorized grant programs include:

- HIT Regional Extension Centers;
- State Grants to Promote Health Information Exchange, or HIE; and
- Developing IT Professionals in Health Care.

Providers in small health care practices that seek to adopt and meaningfully use HIT face a complex variety of tasks. Those tasks include assessing needs, selecting and negotiating with a system vendor or reseller, and implementing workflow changes to improve clinical performance and, ultimately, outcomes. Past experiences have shown that without robust technical assistance, many EHRs that are purchased are never installed or the providers never obtain meaningful use of the systems.

Based on 2008 data from the National Ambulatory Medical Care Survey that is administered by the Centers for Disease Control and Prevention, 21 percent of physicians currently have adopted an EHR, although not necessarily a certified EHR. The adoption rate among small health care practices (5 or fewer physicians) has a significantly lower adoption rate of 13 percent. This discrepancy in the rate of adoption for the Nation and for small practices highlights the need for focused technical assistance for small health care practices.

The HITECH Act authorizes a HIT Extension Program to make assistance and education available to all providers, but with priority given to:

- Individual or small group practices that are primarily focused on primary care;
- Public or not-for-profit hospitals or critical access hospitals;
- Federally qualified health centers; and
- Entities located in rural and other areas that serve uninsured, underinsured, and medically underserved individuals.

HHS published a notice in the Federal Register requesting public comments on a draft description of the HIT Extension Program. HHS received comments from various stakeholders emphasizing the importance of offering technical assistance to solo and small practices in selecting and implementing EHRs.

In addition to providing technical assistance to health care providers, the HITECH Act requires HHS to develop and implement a program to promote the electronic exchange and use of health information among organizations. This program includes planning and implementation grants targeted specifically towards developing capacity for widespread and sustainable health information exchange to enable the meaningful use of EHRs. Growing the capacity of health care providers to share information electronically within communities will begin to unlock the benefits of improved care coordination, greater efficiency of care, and improved population health.

Congress also recognized the importance of having trained professionals in the workforce to provide technical assistance to providers and communities as they implement HIT. The HITECH Act requires HHS to provide assistance to institutions of higher education to establish or expand health informatics education programs, including certification, undergraduate, and masters degree programs, for both health care and IT students, to ensure the rapid and effective utilization and development of health information technologies.

In addition to the grant programs to support nationwide adoption and meaningful use of EHRs, the HITECH Act codifies the Office of the National Coordinator and the responsibilities of the office in establishing the interoperable HIT infrastructure for the Nation. These responsibilities include:

- Incorporating privacy and security protections for the electronic exchange of individually identifiable health information;

- Establishing the HIT Policy Committee and HIT Standards Committee to advise the National Coordinator on a policy framework for the development and adoption of a nationwide health information infrastructure, including standards and certification criteria for the exchange of patient medical information; and
- Adopting relevant HIT standards, implementation specifications, and certification criteria.

Conclusion

HHS is actively working to get programs planned and implemented this year to support hospitals and eligible providers, especially those in small practices, becoming meaningful users of EHRs. While the specific desired outcomes of meaningful use are still being developed, achieving those outcomes will help transform and improve our health care system.

The HITECH Act provisions of the Recovery Act create a historic opportunity to improve the health of Americans and the performance of the nation's health system through an unprecedented investment in HIT. This initiative will be an important part of health reform as health professionals and health care institutions, both public and private, will be enabled to harness the full potential of digital technology to prevent and treat illnesses, improve health, and increase the efficiency of our health care system. This is a remarkable and far-sighted commitment that ONC is honored to lead and support.

Ms. Chairwoman, thank you for the opportunity to appear before you today.